ELBIT SYSTEMS REPORTS
FIRST QUARTER 2007 RESULTS

Continued Record Revenues and Backlog of Orders;

Revenues Increased by 20.7% Year over Year to $403.6 Million;

Net Profit Increased by 32.0% Year over Year to $19.1 Million

Haifa, Israel, May 15, 2007 – Elbit Systems Ltd. (the "Company") (NASDAQ: ESLT) the international defense company, today reported its consolidated results for the first quarter ended March 31, 2007.

The Company's backlog of orders as of March 31, 2007 totaled $3,796 million, as compared with $3,786 million as of December 31, 2006. The backlog amount reflects a reduction of approximately $70 million due to a cessation settlement of the Bulgarian helicopter program. Approximately 71% of the backlog relates to orders outside of Israel. Approximately 70% of the Company's backlog as of March 31, 2007 is scheduled to be performed during the upcoming three quarters of 2007 and during 2008.

Consolidated revenues for the first quarter of 2007 increased by 20.7% to $403.6 million, from $334.4 million in the first quarter of 2006.

Gross profit for the first quarter of 2007 increased by 18.3% to $103.5 million (25.7% of revenues), as compared with gross profit of $87.5 million (26.2% of revenues) in the first quarter of 2006. The gross profit margin in the first quarter of 2007 was affected mainly by the impact of the weakening U.S. Dollar against the New Israeli Shekel ("NIS"), which increased the effective labor costs in Israel.

Consolidated net income for the first quarter of 2007 increased by 32.0% to $19.1 million (4.7% of revenues), as compared with $14.5 million (4.3% of revenues) in the first quarter of 2006. Diluted earnings per share for the first quarter of 2007 were $0.45, as compared with $0.35 for the first quarter of 2006.

Operating Cash flow during the first quarter of 2007 reached a record $86.8 million.

The President and CEO of Elbit Systems, Joseph Ackerman, commented: "The continued revenue and profit growth trend we reported is especially impressive due to the organic growth we have recorded in the first quarter of 2007. This growth of approximately 20% is the result of our long-term strategy of expanding our operations to additional target markets and a continued investment in the R&D of advanced technologies and cutting edge products. This strategy enables us to win prestigious and important contracts and to further enhance our network of customers and business partners. It is a long-term strategy that will continue guiding us in the future."

Mr. Ackerman added "After the end of this report period we completed the acquisition of Tadiran Communications' shares and are in the process of realizing the new synergies within the Group's companies. We have also prepared an action plan for Elisra, however, it requires cooperation from the employees and their representatives."

The Board of Directors declared a dividend of $0.16 per share for the first quarter of 2007. The dividend's record date is May 29, 2007, and the dividend will be paid on June 11, 2007, net of taxes and levies, at the rate of 18.15%.

Conference Call

The Company will also be hosting a conference call today, Tuesday, May 15, 2007 at 10:00 am EDT. On the call, management will review and discuss its first quarter 2007 results and will be available to answer questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Numbers: 1-888-407-2553
UK Dial-in Number: 0-800-917-9141
ISRAEL Dial-in Number: 03-918-0609
INTERNATIONAL Dial-in Number: +972-3-918-0609
at:
10:00 am Eastern Time
7:00 am Pacific Time
3:00 pm UK Time
5:00 pm Israel Time

This call will be broadcast live on Elbit Systems' web-site at http://www.elbitsystems.com. An online replay will be available from 24 hours after the call ends.

Alternatively, for two days following the end of the call, investors will be able to dial a replay number to listen to the call. The dial-in number is either: 1 877 456 0009 (US) 0 800 917 4613 (UK) or +972 3 925 5942 (Israel and International).

About Elbit Systems Ltd.:
Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and equipment. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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(FINANCIAL TABLES TO FOLLOW)

ELBIT SYSTEMS LTD.
CONSOLIDATED BALANCE SHEETS
(In thousand of US Dollars)

	March 31 2007	December 31 2006
	Unaudited	Audited
Assets		
Current Assets:		
Cash and short term deposits	155,822	85,400
Trade receivable and others	427,289	465,428
Inventories, net of advances	395,015	371,962
Total current assets	978,126	922,790
Affiliated Companies & other Investments	231,941	235,723
Long-term receivables & others	191,443	189,236
Fixed Assets, net	294,090	294,628
Other assets, net	126,656	128,995
	1,822,256	1,771,372
Liabilities and Shareholder's Equity		
Current liabilities	827,435	810,885
Long-term liabilities	485,118	460,032
Minority Interest	8,380	6,871
Shareholder's equity	501.323	493,584
	1,822,256	1,771,372

ELBIT SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF INCOME
(In thousand of US Dollars, except for per share amounts)

	Three Months Ended March 31		Year Ended December 31
	2007	2006	2006
	Unaudited		Audited
Revenues	403,600	334,370	1,523,243
Cost of revenues	300,062	246,830	1,149,768
Gross Profit	103,538	87,540	373,475
Research and development, net	24,093	21,438	92,232
Marketing and selling	32,371	26,248	111,880
General and administrative	20,318	19,007	77,505
Total operating expenses	76,782	66,693	281,617
Operating income	26,756	20,847	91,858
Financial expenses, net	(2,928)	(4,241)	(21,456)
Other income (expenses), net	113	908	1,814
Income before income taxes	23,941	17,514	72,216
Provisions for income taxes	6,733	4,604	20,694
	17,208	12,910	51,522
Equity in net earnings (losses) of affiliated companies and partnership	3,400	2,267	14,743
Minority rights	(1,509)	(709)	5,977
Net income	19,099	14,468	72,242
Earnings per share			
Basic net earnings per share	0.45	0.35	1.75
Diluted net earnings per share	0.45	0.35	1.72